REMARKS

Claims 1-54 are pending. Claims 1-37 and 41-52 have been withdrawn from consideration as being drawn to non-elected groups. Applicants have amended Claims 38 and 40 and have added new Claims 53-54. Claims 38-40 and 53-54 are currently before the Examiner for consideration.

The Examiner rejected Claims 38-40 as being anticipated by United States Patent No. 5,835,896 to Fisher et al. Fisher teaches one form of computerized proxy bidding, whereby a computer user may enter a maximum bid that he or she is willing to pay for a product being auctioned. The Fisher system maintains a system minimum bid, which is the lowest bid that a user may enter. The computer enters bids on behalf of each user, but only up to the maximum value that the user is willing to pay. Using the Fisher system, a user may enter **just one bid value**, representing the maximum value that the user is willing to pay.

In contrast, in the claimed system, a user enters two bids. As Claim 38 specifies, a "first bid data includes **a first bid and a second bid**, said first bid is greater than said current high bid value, and said second bid is greater than said first bid." The following example of bids that may be entered into the Fisher system and into the claimed system illustrates that the claimed system is novel over the cited prior art:

Example Auction:

Item for Sale: 1994 Ford Taurus

Current High Bid: $2,000 .

Bidding Increment: $50

Bidder A wants to initially bid $2,500 for the Taurus, and is willing to pay up to $3,000.

Bidder A's Bid Under the Fisher System

Maximum Bid: $3,000

Initial Bid: **Bidder A cannot enter an initial bid.** The Fisher system accepts a maximum bid only from Bidder A.

Result: Bidder A's maximum bid of $3,000 is higher than the current high bid of $2,000. Therefore, the system automatically bids $2,050 for Bidder A, which is the current high bid, $2,000, plus a bidding increment of $2,050.

Bidder A's Bid Under the Claimed System

Maximum Bid: $3,000

Initial Bid: $2,500.

Result: Bidder A's initial bid of $2,500 is higher than the current high bid of $2,000. Therefore, the system automatically bids $2,500 for Bidder A.

Comparison of Results

Comparing the results of Bidder A's bid under the Fisher system and the claimed system, it is apparent that **the claimed system provides more bidding flexibility to Bidder A than does the Fisher system.** The Fisher system forces Bidder A to initially bid $2,050, without giving any control at all to Bidder A. The claimed system allows Bidder A to initially bid $2,050, but also allows Bidder A to enter a higher initial bid, such as $2,500 as in this example, or $2,100, or $2,200, or $2,300, or $2,400, or $3,000, or any other value, so long as the value is higher than the current high bid.

Thus, the claimed invention is novel over the Fisher patent. Furthermore, the claimed invention is useful, because it provides increased bidding flexibility to bidders in electronic auctions. For these reasons, Applicants respectfully submit that Claim 38 is patentable over the Fisher patent, and respectfully request allowance of Claim 38.

Claim 39 depends from Claim 38. Therefore, since Claim 39 contains at least the limitations of Claim 38, Applicants respectfully submit that Claim 39 is also allowable.

Claim 40, like Claim 38, specifies that each "bid data" contains two bid values, "a first bid and a second bid" with respect to "a first bid data," and "a third bid and a fourth bid" with respect to "a second bid data." Therefore, for at least the same reasons as specified with regard to Claim 38, Applicants respectfully submit that Claim 40 is patentable over Fisher. Therefore, Applicants respectfully request allowance of Claim 40.

New Claims 53 and 54

New Claims 53 and 54 multiply depend, directly or indirectly, from Claim 38, 39, or 40. As such, Applicants respectfully submit that these claims are patentable over Fisher for at least the same reasons that Claims 38, 39, and 40 are patentable over Fisher.

Furthermore, Applicants respectfully submit that Claims 53 and 54 are independently patentable at least because they comprise "a seller proxy module configured to periodically determine whether a bid at least as great as the current minimum bid has been accepted, and if no such bid has been accepted, to adjust the current minimum bid downward to a value less than the

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start minimum bid but at least as great as the low minimum bid." Fisher teaches no such "seller proxy module," teaching proxy bidding only on behalf of bidders, not sellers.

In light of the foregoing, Applicants respectfully request allowance of Claims 53 and 54.

Please charge any additional fees, including any fees for additional extension of time, or credit overpayment to Deposit Account No. 11-1410.

Respectfully submitted,

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